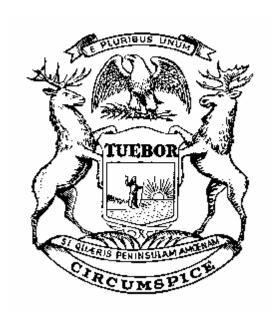
STATE OF MICHIGAN FISCAL YEAR 2003-04

Appropriations Summary and Analysis





September 2003

HOUSE FISCAL AGENCY GOVERNING COMMITTEE

Representatives:

Marc Shulman, Chair

Gretchen Whitmer, Vice Chair

Rick Johnson

Dianne Byrum

Randy Richardville

Mary Waters

MICHIGAN HOUSE OF REPRESENTATIVES APPROPRIATIONS COMMITTEE

Representatives:

Marc Shulman, Chair

Glenn Steil, Jr.

Judy Emmons, Vice Chair

John Stewart

Daniel Acciavatti

Shelly Taub

Francis Amos

Howard Walker

Jack Brandenburg

Gretchen Whitmer, Minority Vice Chair

Bruce Caswell

Richard Brown

Sandra Caul

Marsha Cheeks

David Farhat

Tupac Hunter

Jacob Hoogendyk

Chris Kolb

Jerry Kooiman

Daniel Paletko

John Moolenaar

Clarence Phillips

Mickey Mortimer

James Plakas

Gary Newell

Triette Reeves

John Pastor

Michael Sak

Mike Pumford

Carl M. Williams

miko i aimora

Paula Zelenko

Scott Shackleton

Rick Shaffer

STATE OF MICHIGAN



MITCHELL E. BEAN, DIRECTOR

GOVERNING COMMITTEE

MARC SHULMAN, CHAIR RICK JOHNSON RANDY RICHARDVILLE GRETCHEN WHITMER, VC DIANNE BYRUM MARY WATERS

P.O. BOX 30014 LANSING, MICHIGAN 48909-7514

PHONE: (517)373-8080 FAX: (517)373-5874

www.house.mi.gov/hfa

September 2003

TO: Members of the Michigan House of Representatives

This **FY 2003-04 Appropriations Summary and Analysis** summarizes the enacted FY 2003-04 appropriations. The report begins with a *Director's Overview* section, includes a section on recent supplementals (2003 PAs 39 and 173), notes major budget and boilerplate changes for each department/agency, and ends with a *Consensus Revenue* section. A *Glossary* follows the table of contents and explains several terms used throughout the report to describe the budget for the State of Michigan.

When analyzing the budget, it is important to note the following:

Adjusted Gross is the amount to use when measuring the effect of state spending on the state's economy.

General Fund/General Purpose (GF/GP) is the amount to use when measuring state resources available for legislative allocation to various state programs.

State Spending from State Sources is the amount to use when measuring the amount of state resources collected from taxpayers to finance state spending.

The *Director's Overview* provides information on resources used in the enacted FY 2003-04 budget, current information on tobacco settlement funds, the status of FY 2003-04 fee changes, and summary tables of the appropriated funds and sources.

Agency Analysts prepared the individual budget sections with help from their Budget Assistants. Report production was coordinated by Jeanne Dee, Administrative Assistant. This publication can be accessed through our website at house.mi.gov/hfa by selecting Reports, and then Appropriation Reports; the publication will be listed with the 2003 reports as "Appropriations: Summary and Analysis, FY 2003-04."

House Fiscal Agency staff and their areas of responsibility are listed on the inside back cover of this publication. Please feel free to contact them, or me, if you have questions or need further information.

Mitchell E. Bean, Director

TABLE OF CONTENTS

<u>OVERVIEW</u>	
Director's Overview	3
Resources Used in Enacted Year-to-Date Budget	5
Appropriations from Tobacco Settlement Funds for FY 2003-04	
Fee and Statutory Changes	9
Other Budget Information	
FY 2003-04 Appropriations Summary Tables	12
SUPPLEMENTAL APPROPRIATIONS	
House Bill 4032 (2003 PA 39)	
Senate Bill 540 (2003 PA 173)	25
BUDGET DETAIL	
EDUCATION	
Community Colleges	
Education	
Higher Education	
School Aid/K-12	43
GENERAL GOVERNMENT	
Appropriation Summary	49
Attorney General	
Civil Rights	
Civil Service	
Executive	
Information Technology	
Legislature	
Management and Budget	
State	
Treasury	/\
HUMAN SERVICES	
Community Health	
(includes Medicaid, Public Health, Mental Health, and Aging)	77
Corrections	82
Family Independence Agency	86
REGULATORY	
Consumer and Industry Services	93
Career Development	
Michigan Strategic Fund Agency	97

RESOURCE PROTECTION	
Agriculture	103
Environmental Quality	106
Natural Resources	109

SAFETY AND DEFENSE

Military and Veterans Affairs	115
State Police	117

ALL OTHERS

Capital Outlay	123
History, Arts, and Libraries	
Judiciary	127
Transportation	

Table: School Aid Fund Revenue Estimates	. 139
Table: HFA Year-End Balance Estimates	. 139
Budget Stabilization Fund Year-End Balances	. 140
State Revenue Limit	. 141

GLOSSARY

Frequently-Used State Budget Terms

Adjusted Gross

Total net amount of all line item gross appropriations less (or minus) interdepartmental grants (IDGs) and intradepartmental transfers (IDTs)

Lapses

Unspent/unobligated funds remaining in line item accounts at the end of the fiscal year

Boilerplate

Specific language sections contained in an appropriations act which direct, limit or restrict line item expenditures, and/or require reports

Line Items

Specific funding amount in an appropriations bill which establishes spending authorization for a particular program or function (may be for a single purpose or for multiple purposes)

Budget Stabilization Fund (BSF)

The countercyclical economic and budget stabilization fund—also known as the "rainy day" fund

Local Revenue

Revenues from local units of government

Federal Revenues

Federal grant or matchable revenues dedicated to specific programs

State Restricted (Restricted Funds)

State revenue dedicated to a specific fund; revenue which results from state mandates or initiatives; used for used for specific programs pursuant to the Constitution or statute

General Fund/General Purpose (GF/GP)

The state's primary operating fund; the portion of the state's General Fund that does not include restricted revenues

Private Funds

Revenues from non-government entities such as rents, royalties or interest payments, payments from hospitals, payments from individuals, and gifts and bequests

Gross Appropriations (Gross)

The total of all applicable line item spending authorizations

School Aid Fund (SAF)

The primary funding source for K-12 schools and Intermediate School Districts (ISDs)

Interdepartmental Grant (IDG)

Revenue or funds received by one state department from another state department (usually for a service the receiving department provides)

Work Project

An account established to allow for certain specific unspent funds to be carried over from one fiscal year to a succeeding fiscal year or years

Intradepartmental Transfer (IDT)

Transfers or funds being provided from one appropriation unit to another in the same department